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Soviet Zone Encourages Foreign Purchases of Gift Packages for East Zoners

At the beginning of 1957 the "private firm, Geschenkdienst- und Klein Export-GmbH" was established in East Berlin. The East press states that through this company it will be possible for foreigners to send an unlimited number of gift packages to East Zone residents free of custom duties or other charges, unlike normal foreign gift parcels. The various standard gift packages are made up in East Germany, composed presumably of East German goods of doubtful quality. The true purposes behind the move appear to be to squeeze out CARE and other foreign package operations and to secure additional foreign exchange for the hard-pressed East Zone treasury.

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V. FOREIGN TRADE

Unsatisfactory Development of East German Foreign Trade in First Two Months of 1957
At the 31st Plenum of the SED Central Committee it was revealed that in January and February 1957 East German imports exceeded exports, creating an unhealthy situation which leads to unavoidable economic disturbances.^{1/2} East German industry was called on to exert every effort to increase exports and fulfill export orders as early in the year as possible.

As part of the export drive, the state continues to award premiums to private enterprises showing the greatest increase in exports.^{3/} The share of private industry in East German exports is said to have increased from 2.55 per cent to 4.36 per cent in 1956.^{4/}

Subsidy of Bicycle Exports

The granting of export subsidies is also part of the export drive. Some 3 million DM (East) having been earmarked for foreign trade subsidies in 1956. IWE

- 1/ Neue Zeit, March 24, 1957
- 2/ Neues Deutschland, March 29, 1957
- 3/ Neues Deutschland, March 28, 1957
- 4/ Der Morgen, March 3, 1957

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